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Item 5 of the agenda of the Budgetary
and Finance Committee

ADOPTION OF THE REPORT OF THE BUDGETARY AND FINANCE COMMITTEE TO THE GOVERNING COUNCIL

Draft report of the Budgetary and Finance Committee

Rapporteur: Ms. Anna-Karin HOLM-ERICSON (Sweden)

CHAPTER II. United Nations Population Fund

ANNEX

The Governing Council,

Having considered the biennial budget estimates for the administrative and programme support services for the biennium 1994-1995 (DP/1993/35), the annual financial review, 1992 (DP/1993/36), the audit reports (DP/1993/37) and the report of the Advisory Committee on Administrative and Budgetary Questions (DP/1993/38),

1. Takes note of the annual financial review, 1992 (DP/1993/36) and, in the context of Governing Council decision 93/..., requests the Executive Director to include in future annual financial reviews an overview of the cost-sharing contributions and their distribution among programme areas;

2. Also takes note of the comments of the Executive Director in document DP/1993/37 concerning the report of the United Nations Board of Auditors on the United Nations Population Fund for the biennium ended 31 December 1991 (A/47/5/Add.7);

3. Notes the detailed progress as reported in document DP/1993/37 on measures taken to implement the recommendations of the Board of Auditors on management issues, in accordance with General Assembly resolution 47/211 of

23 December 1992, as summarized in part II of the Official Records of the Forty-seventh General Assembly (A/47/5/Add.7, para. 6);

4. Calls upon the Executive Director to continue consultations with executing agencies and governments, with a view to expediting their submission of audited financial statements on activities they execute on behalf of the United Nations Population Fund and urges that consideration be given to the increased use of mutually acceptable commercial audit firms to facilitate this process;

5. Requests the Executive Director to provide the Governing Council with a summary of the significant observations of the external auditors of the United Nations Population Fund executing agencies, together with corrective action taken by the agencies;

6. Urges the Executive Director to continue to pay close attention to the need for avoiding duplication of procurement capacities that already exist in the United Nations system and to continue to act in line with the announcement of the Secretary-General of December 1990 encouraging coordinated procurement among the agencies and organizations of the United Nations system;

7. Expresses concern at the increased ratio of administrative costs to programme delivery that has occurred so far in the current biennium, while recognizing the efforts of the Executive Director to curtail administrative costs by realizing savings in the amount of $7 million in the 1992-1993 administrative and programme support services budget;

8. Encourages the Executive Director to take the necessary measures to keep to a minimum the level of administrative expenditure, particularly in the event that forecast levels of income are not realized;

9. Requests the Executive Director to include in the annual financial review a progress report on relevant aspects of the implementation of the administrative and programme support services budget, including any measures taken to reduce it;

10. Urges the Executive Director to issue and implement comprehensive and specific guidelines in order to delineate appropriately programme, programme-support and administrative expenditures;

11. Takes note of the progress being made in the implementation of the strategy of office automation, as described in the report of the Advisory Committee on Administrative and Budgetary Questions, and requests the Executive Director to report to the Governing Council at its forty-first session (1994) on further administrative cost savings achieved;

12. Requests the Executive Director, while continuing the implementation of the strategy of office automation, to take into account the need for other automation systems to be compatible with those used elsewhere in the United Nations system, particularly with those being developed by the United Nations Integrated Management Information System project, as well as at the field level;

13. Reconfirms paragraph 19 of decision 91/36 of 21 June 1991 to maintain the level of the operational reserve at 20 per cent of general resources income;

Budget estimates for the biennium 1994-1995

14. Approves appropriations in the amount of $120,092,200 gross, to be allocated from the resources indicated below to finance the 1994-1995 biennial budget for administrative and programme support services, and agrees that the overhead credits available to the United Nations Population Fund in the estimated amount of $6,500,000 and the miscellaneous income from trust funds for support services in the amount of $500,000 shall be used to offset the gross appropriations, resulting in net appropriations of $113,092,200, as indicated below:

1994-1995 biennial budget

(Thousands of dollars)

Programme appropriations	
Executive direction and management	5 646.1
Administration and information and external relations services	32 018.5
Programme planning, appraisal and monitoring	28 970.5
Field programme support	53 457.1
Total gross appropriation	120 092.2
Less: Estimated credits and income	7 000.0
Total net appropriations	113 092.2

15. Authorizes the Executive Director to transfer credits between programmes within reasonable limits, with the concurrence of the Advisory Committee on Administrative and Budgetary Questions, for the biennium 1994-1995 and requests her to report thereon to the Governing Council;

16. Endorses the proposals of the Executive Director with regard to the downgrading of the post of the Deputy Executive Director (Policy and Administration) from the Assistant Secretary-General to the D-2 level; that of Director of the Division for Arab States and Europe from the D-2 to the D-1 level; and that of Chief of the Resource Development Unit from the D-1 to the P-5 level, which are in line with the restructuring process of the Secretary-General, and requests the Executive Director to ensure that the downgrading of the post of the Director of the Division for Arab States and Europe will not negatively affect the size and implementation of the programmes in that region;

17. Takes note of the redeployment of three Country Director posts and two International Programme Officer posts, as well as of the redeployment of two headquarters Programme Officer posts to the field;

18. Approves:

(a) The establishment of an office in Eritrea in 1995 to be staffed by one Country Director at the P-5 level and four national staff - one National Programme Officer, one National Programme/Finance Assistant, one secretary and one driver - which should also contribute to the efforts of the Secretary-General to bring about a unified United Nations presence in that country;

(b) The establishment of 31 additional local posts in the field, comprising 11 National Programme Officers and 20 General Service posts;

(c) The upgrading of six International Programme Officer posts from the P-3 to the P-4 level;

19. Also approves, taking into account paragraph 24 of document DP/1993/35 as well as the need to keep administrative expenditure to a minimum, in accordance with paragraph 8 of the present decision, the upgrading of up to four Country Director posts from the P-5 to the D-1 level, based on the following minimum criteria:

(a) All D-1-level posts will be in countries which either have one of the 20 largest country programmes or in countries where exceptional circumstances justify a D-1-level appointment;

(b) Account will be taken of the number of staff members in the office, the degree of national execution, the complexity of the population programme in specific countries and the need to be consistent with paragraphs 38 and 39 of General Assembly resolution 47/199 of 22 December 1992;

(c) A biennial report will be submitted by the Executive Director in the budget documents;

20. Invites the Executive Director to make further proposals regarding the level of Country Director posts in the context of the APSS budget for the biennium 1996-1997, taking into account the need to retain staff with field experience and to improve further their quality.